Town of Natick Economic Development Study and Action Plan

Task 2 Report

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Table of Contents

Introduction

Investment Consulting Associates (ICA) has completed **Task 2: Baseline Analysis of Town's Economic Development Position** for its Targeted Economic Development Study and Action Plan for the Town of Natick. An in-depth analysis of Natick today – its economic base, commercial and regulatory environment, and overall competitiveness – is crucial to formulating the most effective strategies and recommendations for enhancing economic development. To this end, Task 2 consists of the following deliverables:

- Mid-Project Review Document, including:
  - Summary of Existing Area Plans and Results Review
  - Catalog of Target Districts and Sites
  - Regulatory Review and Process Maps for approval
  - Inventory of Existing Economic Development Assets
  - Reverse Site Selection Model Summary, Ranking Chart, and Advantages & Disadvantages Chart
  - Location Quotient and Shift Share Analysis
  - Opportunity Match Grid
  - SWOT Review
- Summary presentation of the above, to be delivered in person to the Steering Committee

Additionally, ICA has continued to hold biweekly conference calls with the Town of Natick to deliver regular updates and progress reports. Beyond the scope of these conference calls, ICA and the Town of Natick have actively engaged in further communication to support project objectives.

Furthermore, ICA helped facilitate a second community meeting for the Town of Natick and began conducting extensive interviews with business stakeholders. Notes on the community meeting can be found in Appendix A. Notes on business stakeholder interviews can be found in Appendix B.

Inventory of Existing Economic Development Assets

Natick has a number of economic development assets that support the community's retention, expansion, and attraction of business. These assets include private and public organizations, institutions, transport and logistics assets, and industry clusters that cultivate an ecosystem of economic activity.

Organizations

Through efforts to support existing and prospective business, local and regional economic development organizations play a pivotal role in maintaining and enhancing the economic climate within and around a locality. In addition to Natick's own economic development department, the town's location within the broader MetroWest region affords it access to a strong foundation of economic development groups.

Local

Natick's local **Department of Community and Economic Development** heads the town's economic development efforts. This includes building lasting relationships with businesses, both existing and prospective, in an effort to enhance the Natick community. **Natick Center Associates** also serves as an important local partner.

Regional

Regionally, the **495/MetroWest Partnership**, a public-private association, coordinates economic development and advocacy for MetroWest with an emphasis on retaining, attracting, and sustainably growing the region's business activity. In a complementary role, the **MetroWest Chamber of Commerce** provides networking, economic development, and advocacy services to more than 500 businesses, NPOs, and municipalities to support and expand business in the MetroWest region. Additionally, the **MetroWest Visitors Bureau** markets MetroWest destinations, including cultural and recreational venues, retailers, restaurants, and accommodations, to stimulate regional economic activity.

Quality of Life

Vibrant cultural activity and quality of life play an integral role in facilitating local economic development. In Natick, the downtown acts as a regional cultural hub, and as such, the district hosts a number of important institutions. Natick also has natural assets that bolster its quality of life.

Institutions

Natick's newly-remodeled **Morse Institute Library** offers free access to print and non-print resources in addition to programs, events, and meeting and exhibit spaces to residents of Natick and the MetroWest area. Additionally, **The Natick Center for Arts** (TCAN) offers concerts, theater productions, literary events, lectures and films, art exhibitions, and classes in theater and music to the MetroWest and Boston areas. Natick is also home to the **Museum of WWII - Boston** and the **Natick Historical Society Museum**.

Natural Assets

Natick is home to **Lake Cochituate**, **Dug Pond**, **Fiske Pond**, **Mud Pond**, **Pickerel Pond**, **Morse Pond**, and a part of the **Charles River**, enhancing the town's quality of place. There may be opportunities to provide greater pedestrian access to these water bodies, further expanding effects on quality of life. However, Natick's water bodies present a barrier to transportation across town. See the Transportation and Logistics section for more.

Transport and Logistics

The Town of Natick is well-situated along key transportation routes, a critical location factor for businesses and developers. **Route 9** runs directly through the town, acting as a vein connecting Worcester to Boston. Additionally, **I-90/MassPike** runs along the northern boundary of the Town, offering easy access to both Boston and Western Massachusetts. **Speen Street** and **Route 27** act as additional connective veins. Natick also has access to non-Single Occupancy Vehicle (SOV) networks through the **MBTA Commuter Rail**, which operates a stop on Walnut Street in Natick. This links the town to a vast network of additional train and bus lines that connect locations statewide.

Although Natick sits at the nexus of a number of transportation routes, topographical aspects of the town pose challenges to transportation efficiency. While Natick's water bodies are quality of life assets, they obstruct north-south transportation across towns, creating traffic congestion at key intersections.

Industry Clusters and Economic Assets

Natick has a solid infrastructure of existing industries, key businesses, and economic assets that support its retention and expansion of economic activity.

Base Industries

To measure Natick's existing industrial base, Middlesex County is used as a proxy. Middlesex County has a number of base industries, or high employment activity indicating export advantages, that are particularly strong regionally. This includes:

- computer and electronic product manufacturing
- chemical manufacturing
- publishing industries except internet
- educational services
- professional and technical services
- enterprise management
- transit and ground passenger transport
- data processing
- other information services

In these industries, the county has higher employment concentration than both Boston MSA and Massachusetts at the state level, indicating greater competitiveness. Of these industries, the area demonstrates considerably strong activity in computer and electronic manufacturing, non-internet publishing industries, and other information services, potentially signaling overexposure.

The county's range of base industries is an asset to the local economy because it is not over dependent on any one industry, allowing it to be heathier in economic downturns. For more on Natick's base industries, refer to the Location Quotient section on page 9.

Key Businesses and Industrial Parks

Natick is home to the **US Army Soldier Systems Center**, a research and development facility that builds and enhances military technology, and the headquarters of **MathWorks**, a leading mathematical software developer. Together, these major operations foster an environment of innovation in the community.

Natick also contains two industrial parks, the **East Natick Industrial Park** and the **Natick Business Park**, that host a range of enterprises that bolster Natick's commercial environment.

Other Assets

In the heart of the community, **Downtown Natick** amalgamates arts, culture, and business. The district is home to over 50 businesses across a range of industries, further expanding Natick's commercial climate.

Additionally, located at the center of the Natick-Framingham Golden Triangle shopping districts, the **Natick Mall** houses over 250 retailers and restaurants, pulling in visitors from throughout Greater Boston.

Natick is also a part of the **Route 9 Corridor**, a collection of municipalities and businesses along the major east-west state highway. This region of Massachusetts has a robust business climate and considerable growth potential, and Natick's location within this wider zone of commercial activity augments its own local business environment.

Zoning Review and Recommendations

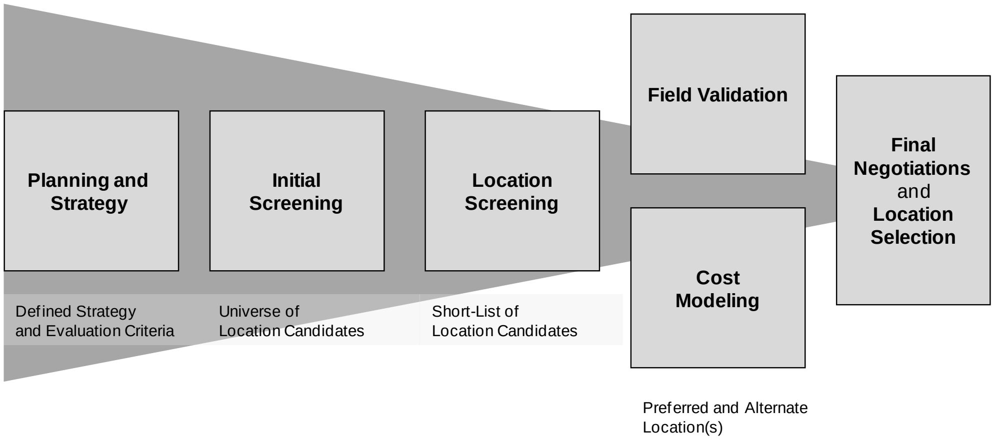
Our zoning review found the following main points:

1. Natick's current zoning is inadequately suited for current market trends, thus causing a deficiency in best use of space. Given the lack of industrial space, Natick is forced to focus more on suburban office environments. Yet between the restrictive zoning laws and the direction that suburban office trends are heading (demanding mixed-uses), there is a disconnect.
2. Current zoning creates low-walkability and encourages auto-dependence. This is due to excessive setback and parking requirements.
3. Strongly linked to zoning regulation, special attention should be payed to parking and signage regulation. These elements combine to influence walkability and automotive use.
4. Overlay zones largely supplant base zoning, suggesting an overhaul of base zoning would be more appropriate.

A more detailed review of Natick's zoning regulations and accompanying recommendations may be found in Appendix C.

Reverse Site Selection Model

Companies making expansion and relocation decisions typically go through a process similar to that which is shown on this page. This process begins with the company identifying their business opportunities, constraints and needs for the new facility, and then progresses through an evaluation of location options. This evaluation process continues to narrow the list of options until the company is prepared to negotiate with the last (and best-fit) handful of communities and sites remaining on the list.



The screening process typically begins with a long list of regional, national, or even international location options. During this preliminary stage, metropolitan areas are usually the units of geography being evaluated, but many companies also include specific communities in the initial screening. Accordingly, we segmented our Reverse Site Selection Model into a local and regional screening. The local screening compares Natick to peer communities with similar attributes, and the regional screening evaluates Middlesex County against comparable regional areas. Both models seek to assess Natick's competitive position within a mix of location options that are likely to be considered in a location decision.

Local economic development agencies are typically contacted at the completion of these first screening rounds of collected data. This then gives them the opportunity to present specific sites or, if applicable, communities within the broader region.

Competitive Set

The Reverse Site Selection Model competitive sets were chosen by identifying communities and regions with similar assets to Natick and Middlesex County at large. We adjusted for differences in size between compared areas by looking at changes in parameters rather than straight numbers. For example, we did not rate total population but rather change in population over time.

The following communities are included in the Local Screening against Natick, MA:

Framingham, MA	Hopkinton, MA	Marlborough, MA	Needham, MA	Newton, MA
Norwood, MA	Reading, MA	Shrewsbury, MA	Westborough, MA	Woburn, MA

MSAs or counties for the following regional centers are included in the Regional Screening against Middlesex County:

Hartford, CT	Providence, RI	Nashua, NH	Central NJ (Middlesex County)	Albany, NY	Durham, NC	Portland, ME

Model Overview

This model ranks communities based on ICA's reverse site selection screening criteria. The lower the number, the higher the ranking (Locally: 1 is best, 11 is worst, Regionally: 1 is best, 8 is worst). The overall rank is determined by the sum of weighted subcategory scores (not rankings). Some categories are weighted more than others. For instance, Tax Regime, Climate & Natural Hazards, and Crime & Quality of Life were weighted less than the other subcategories in this model.

LOCAL Reverse Site Selection Screening Rankings (1 = Best, 11 = Worst)											
Categories	NATICK, MA	Framingham, MA	Hopkinton, MA	Marlborough, MA	Needham, MA	Newton, MA	Norwood, MA	Reading, MA	Shrewsbury, MA	Westborough, MA	Woburn, MA
Population and Demographics	2	4	1	10	4	8	10	4	3	4	8
Household Statistics	6	8	2	11	3	5	10	1	4	8	7
Labor Force Availability	1	10	2	9	3	8	11	7	3	5	6
Industry-Specific Employment	8	10	6	1	8	10	4	6	4	1	1
Occupation-Specific Employment (per 1000)	1	1	1	1	1	1	1	1	10	10	1
Occupation-Specific Salaries (Annual Mean 2015)	3	3	3	3	7	7	7	7	1	1	7
Education (2016)	3	9	6	11	1	1	8	4	5	6	9
Transportation and Market Access	5	5	11	3	9	1	5	3	9	5	1
Crime and Quality of Life	5	5	5	5	3	5	3	5	1	1	5
Overall Rank	**1**	**9**	**2**	**10**	**4**	**6**	**11**	**5**	**3**	**7**	**8**

REGIONAL Reverse Site Selection Screening Rankings (1 = Best, 8 = Worst)								
Categories	Middlesex County, MA	Hartford, CT	Providence, RI	Nashua, NH	Central NJ	Albany, NY	Durham, NC	Portland, ME
Population and Demographics	2	6	6	3	3	6	1	3
Household Statistics	3	4	7	2	1	5	8	5
Labor Force Availability	1	7	6	5	2	8	2	2
Industry-Specific Employment	6	5	3	2	1	8	7	4
Occupation-Specific Employment (per 1000)	1	3	8	6	4	4	2	6
Occupation-Specific Salaries (Annual Mean 2015)	7	6	3	4	8	2	5	1
Education (2016)	1	7	8	6	5	4	2	3
Transportation and Market Access	3	1	3	8	5	7	2	5
Tax Regime	3	5	6	3	7	2	1	7
Climate and Natural Hazards	2	5	2	7	4	6	8	1
Crime and Quality of Life	7	2	5	6	8	3	1	4
Overall Rank	**1**	**5**	**8**	**4**	**6**	**7**	**2**	**3**

Overall Findings

The following presents an overview of our findings from the Reverse Site Selection Model, considering Natick's local performance and Middlesex County's regional performance simultaneously.

Advantage	Disadvantage
Population and Demographics **SUMMARY: High Score (2nd locally, 2nd regionally)**	
• Rise in working-age population seen as a strength in adding available workforce. Demonstrates ability to attract new talent	

Advantage	Disadvantage
Household/Housing Statistics **SUMMARY: Most competitive regionally (1st), but average/poor locally (6th)**	
• Regionally, low vacancy rate and high rate of home ownership suggest attainable housing	• Locally, high housing growth rate with average vacancy rates suggests attainable housing may be underserved • May indicate low availability of rental housing • House prices significantly above other regions
Labor Force Availability **SUMMARY: Highest locally (1st), best regionally (1th)**	
• Very competitive unemployment rate heading in positive direction • Strong growth in labor force gives benefit of talent availability	• Weak rate of change in unemployment, though could be interpreted as economic stability during and after crisis
Industry & Occupation Specific Employment **SUMMARY: Ranked 8th locally, 6th regionally in terms of industry employment. Ranked 1st locally and 1st regionally in occupation specific employment**	
• Regionally, high employment in service industry • Locally, average employment in transportation/utilities and service industries • Very high employment in architecture/engineering, computer/mathematical, and business/financial operation occupations	• Low employment in manufacturing and wholesale trade industries • Locally and regionally (Middlesex County), low employment in education/training and healthcare practitioner/technician occupations
Occupation Specific Salaries **SUMMARY: Average (3rd locally, 7th regionally)**	
• Locally, competitive salaries in education and healthcare. Yet wages are high for engineers, architects, and management occupations.	• High salaries reflect poorly for private sector attraction given the higher costs associated with labor

Advantage	Disadvantage
Education **SUMMARY: Average locally (3rd), Highest score regionally (1st)**	
• Regionally, Middlesex county has the most educated workforce among its peers	• Given competitive local area, Natick's workforce, though well-educated, is average
Transportation and Market Access **SUMMARY: Ranked 5th locally and 3rd regionally (Middlesex Co.)**	
• Regionally, Middlesex County is well served by proximity to Logan International Airport as well as numerous interstate highways, US highways, and the I-495 interstate connector	• Locally, Natick's transportation and market access is limited to only two main thoroughfares in an East-West direction (I-90 and Rt. 9)
Tax Regime **SUMMARY: Ranked 3rd regionally**	
• Competitive tax climate and tax rates among New England peers	• Not competitive against Albany, NY and Durham, NC
Climate and Natural Hazards **SUMMARY: Ranked 3rd regionally**	
• Relatively low hurricane risk • Fewer thunderstorms and average precipitation	• Relatively higher tornado risk compared to Providence, RI, Albany, NY, and Portland, ME
Crime and Quality of Life **SUMMARY: Ranked 5th locally, 7th regionally (Middlesex Co.)**	
• Favorable crime rates both locally and regionally • Good access to physicians locally and among New England peers (but low compared to Durham)	• High cost of living (both locally and regionally) • Average commute time

Location Quotient and Shift Share Analysis

Location Quotients

No economy is self-sufficient. Most develop and grow around industries that generate more than enough output to export to other locations and in turn import other goods and services from those locations. Trade takes place because the local economy has advantages in producing some goods and services and other economies are better at producing other things. The industries that generate excess production are referred to as base industries; in these industries, exports are greater than imports in industry-specific goods. The base industries generate the income that allows the economy to import different types of goods from other economies and support employment in other sectors needed to support local activity. The simplest example of such a framework is a coal mining town. The base industry is coal mining, the coal is exported which generates income for the miners who spend it on non-base activities such as groceries available at local supermarkets after being trucked in from other parts of the country.

The first step in developing an economic development strategy is to identify the base industries of the regional economy. One of the simplest approaches is by identifying which industries have employment levels that suggest they produce a level of output that exceeds local demand. Economists have developed the concept of Location Quotients (LQ) for this purpose. The LQ is computed in three steps:

1. Each industry's share of employment (as a percent) is calculated for the local economy;
2. The same is done for the national economy; and
3. The ratio, called the Location Quotient (LQ), is calculated from the industry-specific employment share of the local economy relative to the national economy.

An industry with a LQ greater than 1 is considered a base industry. For example, NAICS code 54 for professional and technical services has a LQ of 2.17, indicating that employment is above the US level for that industry in Middlesex County. Employment for NAICS code 54 is 15.67% for the county. Conversely, NAICS code 111 for crop production has a LQ of .24, indicating county employment is below the US level in that industry. With employment of .12%, crop production is not a significant industry of employment in Middlesex County.

Location Quotient Findings

Before discussing location quotient findings, it is important to acknowledge the limitations of this study. Because the Town of Natick itself is too small for LQ analysis (based on available datasets), the county of Middlesex is used as a proxy. The findings are based on county employment levels, which include Natick and offer valuable insight into its economic character, but do not perfectly address its uniqueness.

On the broadest level, Middlesex County's base industries are **information**, **professional and business services**, and **education and health services**, with LQs of 2.11, 1.54, and 1.17 respectively. In information, Middlesex County has greater activity than Boston MSA and Massachusetts at the state level by more than .5 of an LQ, marking the sector as a particular strength area over these regions. However, while education and health services is considered a base industry, the level of activity elevation is less than that of the Boston MSA and state of Massachusetts, meaning its competitiveness is lower than that of the region. Professional and business services in Middlesex County, on the other hand, remains stronger than Massachusetts and the Boston MSA, but not significantly.

Middlesex County has a number of more specific base industries that are also particularly strong as compared to other regions, including:

- Computer and electronic product manufacturing
- Chemical manufacturing
- Publishing industries except internet
- Educational services
- Professional and technical services
- Enterprise management
- Transit and ground passenger transport
- Data processing
- Other information services

Of these industries, the area demonstrates considerably strong activity in computer and electronic manufacturing, non-internet publishing industries, and other information services, potentially indicating overexposure.

The county has a number of industries over the average for the US as a whole regardless of strength over nearby regions, which is good for the local economy as it does not show overdependence on any one industry. The community will be healthier in times of economic difficulties if the focus is on several industries instead of just one.

It is also important to note that Middlesex County has a number of non-base industries that are still central to its economy based on employment levels. This includes health care and social assistance and trade, transportation, and utilities, both of which have employment levels over 10%. Both manufacturing and leisure/hospitality reach levels just under 10% employment share. Efforts should be made to make these industries more competitive because in addition to being non-base, they lag behind the Boston MSA and state of Massachusetts in terms of activity. Additionally, both the Location Quotients and change of employment of the manufacturing sector and trade, transportation, and utilities sector indicate that they are deteriorating.

Middlesex County should focus on growing or maintaining all of its base industries. The county should focus on growing central, non-base industries since they account for a significant amount of area employment but are not yet considered base industries.

The table below shows the economic base analysis for the state of Massachusetts, Boston MSA, and Middlesex County as well as total employment (2014), percentage employment, 2004-2014 change in LQ, and 2004-2014 change in employment for Middlesex County.

	2014 LQ			Middlesex County, MA			
Industry	Mass. Statewide	Boston MSA	Middlesex County, MA	Total Employment 2014	Middlesex Percentage Employment	Change in LQ	Net Change in Employment
Base Industry: Total, all industries	1	1	1	767,253		0	68653
Natural resources and mining	0.15	0.11	0.16	2,204	0.29%	-0.03	190
Construction	0.83	0.78	0.82	33,086	4.31%	0	-3489
Manufacturing	0.81	0.77	0.94	76,002	9.91%	-0.03	-12709
Trade, transportation, and utilities	0.85	0.79	0.75	130,455	17.00%	-0.1	-7160
Information	1.24	1.45	2.11	38,319	4.99%	0.36	3303
Financial activities	1.07	1.19	0.7	35,547	4.63%	0.02	1124
Professional and business services	1.07	1.19	1.54	195,357	25.46%	0.07	41403
Education and health services	1.37	1.31	1.17	159,940	20.85%	-0.06	32709
Leisure and hospitality	0.92	0.9	0.72	69,860	9.11%	-0.01	11391
Other services	1.06	1.07	0.94	26,483	3.45%	0.05	1891
Unclassified	NC	0.01	NC	NC	NC	NC	NC
NAICS 111 Crop production	0.26	ND	0.24	885	0.12%	0.04	165
NAICS 112 Animal production and aquaculture	0.27	0.25	ND	ND	ND	NC	NC
NAICS 113 Forestry and logging	0.08	0.05	ND	ND	ND	NC	NC
NAICS 114 Fishing, hunting and trapping	5.83	ND	NC	NC	NC	NC	NC
NAICS 115 Agriculture and forestry support activities	0.07	0.06	0.07	160	0.02%	-0.33	-627
NAICS 211 Oil and gas extraction	0	0	NC	NC	NC	NC	NC
NAICS 212 Mining, except oil and gas	0.15	0.1	0.14	198	0.03%	NC	NC
NAICS 213 Support activities for mining	0.01	0.02	0	5	0.00%	NC	NC
NAICS 221 Utilities	0.77	ND	0.4	1,444	0.19%	0.03	114
NAICS 236 Construction of buildings	0.79	0.71	0.72	6,434	0.84%	-0.06	-1743
NAICS 237 Heavy and civil engineering construction	0.55	0.59	0.59	3,533	0.46%	-0.21	-1055
NAICS 312 Beverage and tobacco product manufacturing	0.57	0.55	0.44	618	0.08%	-0.11	-63
NAICS 313 Textile mills	1.13	1.33	0.9	694	0.09%	0.12	-500
NAICS 314 Textile product mills	0.7	ND	0.41	308	0.04%	0.2	70
NAICS 315 Apparel manufacturing	0.67	0.45	0.21	191	0.02%	0.13	47

	2014 LQ			Middlesex County, MA			
Industry	Mass. Statewide	Boston MSA	Middlesex County, MA	Total Employment 2014	Middlesex Percentage Employment	Change in LQ	Net Change in Employment
NAICS 316 Leather and allied product manufacturing	2.31	2.31	ND	ND	ND	NC	NC
NAICS 321 Wood product manufacturing	0.26	ND	0.09	211	0.03%	-0.11	-502
NAICS 322 Paper manufacturing	0.87	ND	0.34	848	0.11%	-0.44	-1621
NAICS 238 Specialty trade contractors	0.91	0.85	0.9	23,119	3.01%	0.06	-691
NAICS 311 Food manufacturing	0.68	0.72	0.47	4,585	0.60%	0.05	554
NAICS 337 Furniture and related product manufacturing	0.43	0.39	0.41	1,007	0.13%	0.12	-39
NAICS 339 Miscellaneous manufacturing	1.33	1.05	1.13	4,360	0.57%	0.13	143
NAICS 423 Merchant wholesalers, durable goods	0.73	0.74	0.99	19,106	2.49%	-0.34	-6062
NAICS 424 Merchant wholesalers, nondurable goods	0.82	0.76	0.69	9,270	1.21%	-0.1	-938
NAICS 425 Electronic markets and agents and brokers	1.25	0.91	1.18	7,025	0.92%	-0.15	1045
NAICS 441 Motor vehicle and parts dealers	0.76	0.69	0.58	7,137	0.93%	-0.07	-830
NAICS 442 Furniture and home furnishings stores	0.85	0.82	0.81	2,444	0.32%	-0.19	-1173
NAICS 443 Electronics and appliance stores	0.71	0.74	0.75	2,424	0.32%	-0.29	-1067
NAICS 444 Building material and garden supply stores	0.82	0.76	0.66	5,346	0.70%	-0.13	-900
NAICS 445 Food and beverage stores	1.3	1.24	1.17	23,213	3.03%	0.07	3264
NAICS 446 Health and personal care stores	1.04	1	0.95	6,390	0.83%	-0.07	199
NAICS 323 Printing and related support activities	0.98	0.97	1.35	4,045	0.53%	0.38	-51
NAICS 324 Petroleum and coal products manufacturing	0.3	0.31	ND	ND	ND	NC	NC
NAICS 325 Chemical manufacturing	0.85	ND	1.61	8,557	1.12%	0.41	1752
NAICS 326 Plastics and rubber products manufacturing	0.72	ND	0.53	2,350	0.31%	0.15	362

	2014 LQ			Middlesex County, MA			
Industry	Mass. Statewide	Boston MSA	Middlesex County, MA	Total Employment 2014	Middlesex Percentage Employment	Change in LQ	Net Change in Employment
NAICS 327 Nonmetallic mineral product manufacturing	0.57	0.32	0.23	585	0.08%	0	-165
NAICS 331 Primary metal manufacturing	0.31	ND	0.18	471	0.06%	-0.14	-496
NAICS 332 Fabricated metal product manufacturing	0.89	0.72	0.53	5,054	0.66%	-0.07	-674
NAICS 333 Machinery manufacturing	0.6	0.53	0.54	4,054	0.53%	-0.35	-2486
NAICS 334 Computer and electronic product manufacturing	2.13	2.52	4.87	33,877	4.42%	-0.03	-7594
NAICS 335 Electrical equipment and appliance mfg.	0.91	0.74	0.46	1,161	0.15%	-0.12	-494
NAICS 336 Transportation equipment manufacturing	0.31	0.4	0.27	2,810	0.37%	-0.04	-732
NAICS 533 Lessors of nonfinancial intangible assets	1.13	ND	0.33	52	0.01%	-0.18	-33
NAICS 541 Professional and technical services	1.34	1.54	2.17	120,200	15.67%	0.06	28274
NAICS 551 Management of companies and enterprises	1.16	1.27	1.65	23,597	3.08%	-0.15	3938
NAICS 561 Administrative and support services	0.78	0.81	0.91	49,592	6.46%	0.07	9089
NAICS 562 Waste management and remediation services	1.11	1.08	0.77	1,968	0.26%	-0.12	102
NAICS 611 Educational services	1.99	2.1	2.74	48,587	6.33%	-0.66	3006
NAICS 621 Ambulatory health care services	1.02	0.97	0.87	38,260	4.99%	0.05	12139
NAICS 622 Hospitals	1.55	ND	0.88	27,819	3.63%	0.02	4169
NAICS 623 Nursing and residential care facilities	1.24	1	0.96	20,833	2.72%	-0.02	3174
NAICS 624 Social assistance	1.43	ND	1.13	24,441	3.19%	0.03	10220
NAICS 447 Gasoline stations	0.55	0.45	0.38	2,207	0.29%	-0.05	-224
NAICS 448 Clothing and clothing accessories stores	0.97	1.01	0.87	7,885	1.03%	-0.29	-2369
NAICS 451 Sports, hobby, music instrument, book stores	0.98	0.94	0.94	3,828	0.50%	-0.21	-977

	2014 LQ			Middlesex County, MA			
Industry	Mass. Statewide	Boston MSA	Middlesex County, MA	Total Employment 2014	Middlesex Percentage Employment	Change in LQ	Net Change in Employment
NAICS 452 General merchandise stores	0.64	0.57	0.48	9,934	1.29%	0.02	1418
NAICS 453 Miscellaneous store retailers	0.88	0.88	0.73	3,978	0.52%	-0.12	-1056
NAICS 454 Nonstore retailers	1.08	1.14	0.72	2,352	0.31%	0.09	622
NAICS 481 Air transportation	0.66	ND	0.02	50	0.01%	0.01	8
NAICS 482 Rail transportation	NC	NC	NC	NC	NC	NC	NC
NAICS 483 Water transportation	0.47	ND	ND	ND	ND	NC	NC
NAICS 484 Truck transportation	0.44	0.36	0.39	3,610	0.47%	-0.11	-743
NAICS 485 Transit and ground passenger transportation	1.92	1.73	2.08	6,318	0.82%	0.43	2305
NAICS 486 Pipeline transportation	0.12	ND	ND	ND	ND	NC	NC
NAICS 487 Scenic and sightseeing transportation	1.72	ND	0.25	51	0.01%	NC	NC
NAICS 488 Support activities for transportation	0.48	0.5	0.26	1,089	0.14%	0.02	258
NAICS 491 Postal service	NC	ND	NC	NC	NC	NC	NC
NAICS 492 Couriers and messengers	0.8	ND	0.89	3,353	0.44%	-0.11	-243
NAICS 493 Warehousing and storage	0.48	0.37	0.38	1,885	0.25%	-0.13	49
NAICS 511 Publishing industries, except Internet	2.24	2.68	4.54	21,727	2.83%	1.27	2597
NAICS 512 Motion picture and sound recording industries	0.57	ND	0.51	1,305	0.17%	0	50
NAICS 515 Broadcasting, except Internet	0.71	0.77	0.44	823	0.11%	0.2	313
NAICS02 516 Internet publishing and broadcasting	NC	NC	NC	NC	NC	NC	NC
NAICS 517 Telecommunications	0.82	ND	1.02	5,737	0.75%	-0.08	-1505
NAICS 518 Data processing, hosting and related services	0.98	ND	2.13	3,909	0.51%	-0.26	-1975
NAICS 519 Other information services	1.78	2.13	3.36	4,819	0.63%	3.11	4739
NAICS 521 Monetary authorities - central bank	ND	ND	ND	ND	ND	NC	NC
NAICS 522 Credit intermediation and related activities	0.86	0.91	0.62	10,525	1.37%	-0.06	-1857

	2014 LQ			Middlesex County, MA			
Industry	Mass. Statewide	Boston MSA	Middlesex County, MA	Total Employment 2014	Middlesex Percentage Employment	Change in LQ	Net Change in Employment
NAICS 523 Securities, commodity contracts, investments	1.98	2.53	0.8	4,696	0.61%	0.21	1788
NAICS 524 Insurance carriers and related activities	1.17	1.24	0.73	10,516	1.37%	0.06	1269
NAICS 525 Funds, trusts, and other financial vehicles	ND	ND	ND	ND	ND	NC	NC
NAICS 531 Real estate	0.84	0.93	0.75	7,435	0.97%	0.03	932
NAICS 532 Rental and leasing services	0.79	ND	0.66	2,312	0.30%	-0.1	-831
NAICS 711 Performing arts and spectator sports	1	ND	0.44	1,294	0.17%	0.12	516
NAICS 712 Museums, historical sites, zoos, and parks	1.54	ND	0.5	487	0.06%	-0.1	36
NAICS 713 Amusements, gambling, and recreation	0.98	0.95	0.86	8,608	1.12%	0.07	1679
NAICS 721 Accommodation	0.72	0.68	0.51	6,407	0.84%	-0.08	-378
NAICS 722 Food services and drinking places	0.94	0.92	0.75	53,064	6.92%	-0.02	9538
NAICS 811 Repair and maintenance	0.83	0.79	0.93	7,608	0.99%	0	275
NAICS 812 Personal and laundry services	1.17	1.24	1.07	9,735	1.27%	0.02	1186
NAICS 813 Membership associations and organizations	1.18	1.15	0.73	6,544	0.85%	0.07	1050
NAICS 814 Private households	1	1.07	1.4	2,597	0.34%	0.41	-619
NAICS 999 Unclassified	NC	0.01	NC	NC	ND	NC	NC

Footnotes:
(NC) Not Calculable, the data does not exist or it is zero

(ND) Not Disclosable

Shift Shares

The Location Quotient certainly shows concentration at a particular point in time, but it does not show how a region's industries and competitiveness change over time. Shift-share analysis allows for a review of how much of an industry's growth (or loss) is due to regional factors relative to national factors.

An examination of both methods allows for the identification of industries where the region has a strong existing share, has a regional or national advantage, and where these advantages are either increasing or are at risk.

The shift share analysis uses national, state, and local employment statistics to examine how much growth or decline in employment in a particular sector is due to:

National growth share - The share of local job growth that can be attributed to growth of the national economy. Specifically, if the nation as a whole is experiencing employment growth, ("a rising tide lifts all boats"), one would expect total national growth to exert a positive growth influence on the local area. This factor describes the change that would be expected simply by virtue of the fact that the local area is part of a changing national economy.

Industrial mix share - The share of local job growth that can be attributed to the region's mix of industries being analyzed. This second factor is the change in a local industry that would be attributable to the growth or decline of the industry nationally. This component isolates the fact that nationwide, some industries have grown faster or slower than others. It represents the contribution that a specific industry nationally has made to the change in the number of jobs in the region.

Local share (regional shift) - This share of local job growth describes the extent to which factors unique to the local area have caused growth or decline in regional employment of an industrial group. Some regions and still some industries grow faster than others do. This is usually attributed to some local comparative advantage such as natural resources, linked industries, favorable local labor situations, or the efforts of local institutions such as economic development corporations.

While each point provides useful information, the Local Share (or regional shift) provides specific insights into a region's opportunities and risks for particular industry clusters.

Shift Share Findings

The chart below shows the shift-share analysis for both Middlesex County and the Boston MSA from 2004-2014. National growth shows the effect on employment that the overall national economy is having on the area. Industrial mix demonstrates the effect on employment by a specific industry's performance. Meanwhile the local or regional change demonstrates the change in employment based on local or regional factors.

	Shift-Share (National Base)								
	National Change		Industrial Mix		Local/Regional Change		Total Change		Main Change Component
Industry	Boston MSA	Middlesex County MA	Boston MSA	Middlesex County MA	Boston MSA	Middlesex County MA	Boston MSA	Middlesex County MA	
Base Industry: Total, all industries	131,699	45,581	-	-	50,734	23,072	182,433	68,653	National

	Shift-Share (National Base)								
	National Change		Industrial Mix		Local/Regional Change		Total Change		Main Change Component
Industry	Boston MSA	Middlesex County MA	Boston MSA	Middlesex County MA	Boston MSA	Middlesex County MA	Boston MSA	Middlesex County MA	
Natural resources and mining	305	131	805	347	(1,354)	(289)	(244)	190	Regional
Construction	6,388	2,386	(17,821)	(6,658)	4,367	782	(7,066)	(3,489)	Regional
Manufacturing	13,728	5,788	(44,730)	(18,860)	(896)	363	(31,898)	(12,709)	Regional
Trade, transportation, and utilities	26,406	8,979	(13,218)	(4,495)	(22,841)	(11,644)	(9,653)	(7,160)	Local
Information	4,751	2,285	(13,382)	(6,436)	11,035	7,454	2,403	3,303	Local
Financial activities	11,650	2,246	(16,554)	(3,192)	730	2,070	(4,174)	1,124	Regional
Professional and business services	24,006	10,045	38,754	16,216	1,992	15,142	64,752	41,403	Regional
Education and health services	25,874	8,301	84,777	27,200	5,632	(2,792)	116,283	32,709	Regional
Leisure and hospitality	13,382	3,815	22,134	6,310	10,351	1,266	45,866	11,391	Regional
Other services	5,204	1,605	(6,182)	(1,906)	7,214	2,193	6,235	1,891	Local
Unclassified	6	NC	(16)	NC	(61)	NC	(71)	NC	NC

The regional shift shows that local factors in Middlesex County are slowly shifting employment away from natural resources and mining as well as trade, transportation, and utilities and education and health services. Boston MSA shows similar locally-driven shifts in employment away from natural resources and mining as well as trade, transportation, and utilities.

The total shift share analysis shows that employment in Middlesex County is slowly shifting away from construction, manufacturing, and trade/transportation, the latter two of which are central but non-base industries in the county. To grow these industries, it will be important to reverse this trend particularly with consistent efforts at the county-level. The Boston MSA shows similar shifts, but also less employment in natural resources and mining as well as financial activities.

The following industry groups are growing in employment in the county:

- Professional and business services;
- Education and health services;
- Leisure and hospitality;

The first two industries are current base industries in the county, and the analysis reveals that employment changes are augmenting these bases. However, although positive employment changes between 2004 and 2014 slightly raised the LQ of professional and business services, the LQ of education and health services dropped slightly. In spite of positive employment changes, leisure and hospitality, too, saw a very small decrease in LQ. Nevertheless, these industries show potential for continued growth. Efforts on the regional level will be central to this endeavor, especially in the case of education and health services where regional factors worked against national trends creating employment growth.

By further examining these trends with greater attention to each factor's associated contributions to growth or contraction, it is possible to better understand Middlesex County's true wins and losses.

All Industry: Changes for industrial mix are irrelevant when looking at an entire regional economy, so looking at the Base Industry Total line truly isolates how well the region itself has performed when compared how national trends would predict. Based on this, the numbers suggest that Middlesex County gained 23,072 more jobs between 2004-2014 than would have been predicted by national trends alone.

Natural Resources and Mining: Middlesex County was expected to see a loss of 289 jobs. Due to national economic factors and the healthy performance of this industry nationwide, the county witnessed a growth of 190 jobs. In the Boston MSA, regional factors alone were expected to precipitate a loss of 1,354 jobs, but the area actually experienced a 244 job increase.

Construction: Middlesex County was expected to see a gain of about 782 jobs but actually lost 3,849 due to national growth and industrial factors. In the Boston MSA, regional factors alone were expected to create 4,367 jobs but the MSA actually lost 7,066 jobs, largely due to the poor national performance of the construction industry.

Manufacturing: Middlesex County was expected to see a gain of about 363 jobs, but the area actually lost 12,709 jobs. In the Boston MSA, we expected to see a loss of 896 jobs, but the area actually lost 31,898 jobs. Fortunately, growth associated with the national economy dampened the effect of the poor performance of the manufacturing industry nationwide.

Traded, Transportation, and Utilities: Middlesex County was expected to see a loss of about 11,644 jobs when the area actually lost 7,160 jobs. In the Boston MSA, we expected to see a loss of 22,841 jobs but the area only lost 9,653 jobs, less than expected due to the growth of the national economy.

Information: Middlesex County was expected to gain 7,454 jobs, but only gained 3,404 jobs in the end. This was due to this industry's poor national performance. In the Boston MSA, we expected to see 11,035 new jobs but the area actually gained only 2,403 jobs.

Financial Activities: Middlesex County was expected to see a gain of about 2,070 jobs when the area actually gained only 1,124 jobs. Meanwhile, the Boston MSA expected to see a gain of 730 jobs but lost 4,174 jobs instead. This is in large part due to industrial mix factors.

Professional and Business Services: Middlesex County was expected to see a gain of about 15,142 jobs when the area actually gained a stunning 41,403 jobs. The Boston MSA expected 1,992 new jobs in this industry, but the area actually gained 64,752 jobs. This is mostly due to the national change and industrial mix.

Education and Health Services: Middlesex County expected a loss of about 2,792 jobs, but it actually gained 32,709 jobs. In the Boston MSA, we expected to see a gain of 5,632 jobs, but the area actually gained 116,283 jobs. While local and regional factors account for little of these gains, the industrial mix greatly contributed to job growth in this industry across both Middlesex County and the Boston MSA.

Leisure and Hospitality: Middlesex County was expected to see a gain of about 1,266 jobs locally when the area actually gained 11,391 jobs. In the Boston MSA, we expected to see a gain of 10,351 jobs, but the MSA actually gained 45,866 jobs. National growth and industrial mix contributed to this performance.

Other Services: Middlesex County was expected to see a gain of about 2,193 jobs when the area actually gained only 1,891 jobs. In the Boston MSA, we expected to see a gain of 7,214 jobs, but the area actually gained 6,235 jobs.

OVERALL: In Middlesex County, construction and manufacturing highly underperformed due to national trends while trade, transportation, and utilities underperformed due to a combination of local and national factors. However, professional and business services greatly outperformed national expectations in both the Boston MSA and Middlesex County.

SWOT Review

This SWOT is an analysis of both Middlesex County and Natick itself (Middlesex is referred to as regional and Natick as local). In the case of base industries, Location Quotient data only went as far down as the county level.

Strengths

- Strong population growth (locally and regionally), especially of working age
- Strong labor force and employment growth
- Good professional and technical workforce (locally and regionally)
- Well educated population
- Strong service employment base (regionally)
- Good highway and air access (regionally)
- Strong base industries (LQ) in computer and electronic product manufacturing, chemical manufacturing, publishing industries except internet, educational services, professional and technical services, enterprise management, transit and ground passenger transport, data processing, and other information services
- Family-Oriented Community (intangible assets)

Opportunities

- Development/Enhancement of livable local centers: Natick Center as a livable, walkable downtown
- Regional collaboration for Marketing, Business Attraction, Transportation
- Non car-based (SOV) transportation carriers/networks
- Base Realignment and Closure (BRAC)/ Sequestration (federal budget austerity measures)

Weaknesses

- Low employment in trade/transportation
- High salary costs
- Local highway access and circulation
- Very high cost of housing and cost of living
- Traffic/Congestion
- Inadequate last mile public transportation
- Route 9 as a "mixed blessing" - regional access, but acts as barrier. Not easily accessible.
- Lack of Rental housing
- Difficulty and Speed of Permitting

Threats

- Housing costs causing a regional workforce decline
- Inadequate shipping and goods movement capacity
- Economic Downturn
- BRAC/Sequestration
- Worsening regional traffic without other transportation options
- Future of mall vs online shopping
- Based on location quotients, area demonstrates considerable activity, potentially indicating overexposure, in computer and electronic manufacturing, non-internet publishing industries, and other information services

Opportunity Match Grids

In conjunction with the existing regional industry and corporate base, the screening suggests that a number of industry and use types might be appropriate targets for Natick. It is important to note that this list cannot envisage each and every opportunity which might arise. Therefore, Natick and its outreach partners should also be aware of opportunities that build on or are similar to opportunities listed below and not limit outreach to just the following industries.

The following opportunities were identified for Natick:

Financial Services (Customer Service & IT) - Financial services include activities related to banking, securities, capital markets, insurance, real estate, and their support functions. Operations centers and back office functions include call and customer service centers and information technology.

Healthcare (Care Centers & IT) - Health care includes all acute and long-term care facilities spanning regional and community hospitals, urgent and retail care centers, rehabilitation facilities, and extended care facilities.

Entrepreneurship (Early Stage) - Entrepreneurship is the process of developing, launching and operating a new business, such as a startup company.

Food Services (Restaurants, Cafes, & Groceries) - Food services span all businesses that sell food items for immediate or home consumption, including restaurants, cafes, and groceries.

Life Sciences (R&D, Medical IT) - Life sciences encompass companies in biotechnology, pharmaceuticals, and medical technology. Functions across the value chain include R&D, manufacturing, commercialization, and distribution.

Financial Services – Customer Service & IT	
Specific Description	• Financial services include activities related to banking, securities, capital markets, insurance, real estate, and their support functions.
Current Industry Outlook	• Post-financial crisis brand image issues and demand for more personalized customer experiences have heightened the need for quality customer service • Amidst a greater shift to automation in front office roles, there is a new emphasis on streamlining back office functions, creating high demand for technological infrastructure updating
Key Requirements or Value Chain	• Strong telecommunications infrastructure • Strong general labor force, with some need for more highly trained personnel depending on function complexity
Specific Role/Opportunity for Natick	• Customer service and information technology functions for banks and financial services firms
Natick Competitive Advantages	• Educated, qualified workforce • Existing base industry in information and data processing • Established presence of large and regional banks and financial services firms • Robust services sector
Natick Competitive Weaknesses	• High salary costs

Health Care – Care Centers & IT	
Specific Description	• Health care includes all acute and long-term care facilities spanning regional and community hospitals, urgent and retail care centers, rehabilitation facilities, and extended care facilities
Current Industry Outlook	• The concurrent forces of cost pressures, technological advancements, and greater consumer emphasis on personalized care have initiated a trend towards alternative care delivery with greater geographical reach • Care is shifting from hospitals to new settings including urgent care centers and retail clinics. The number of urgent care centers are expected to grow 20% by 2019 • An aging population is also expanding the need for extended care facilities

	• Shifting landscape of care is creating an imperative for updated technological infrastructure and management
Key Requirements or Value Chain	• Demographics (aging population = increased demand) • Healthcare workforce to meet demand • Local transportation infrastructure allowing regional access
Specific Role/Opportunity for Natick	• Expansion of local health provision centers, including urgent care centers, retail care centers, and extended care facilities
Natick Competitive Advantages	• Strong growth in population and labor force coupled with average/low number of physicians and hospital beds could mean an underserved demand in future
Natick Competitive Weaknesses	• Low existing employment in healthcare • High salary costs

Entrepreneurship – Early Stage	
Specific Description	• Entrepreneurship is the process of developing, launching and operating a new business, such as a startup company
Current Industry Outlook	• It is estimated that 12% of working age Americans are engaged in entrepreneurial activity. This rate is on a generally upward trend, barring the small dip from 14% to 12% in 2015. • In 2015, 10% of entrepreneurs were starting businesses based on new technology. This continues a generally upward trend since 2009.
Key Requirements or Value Chain	• Low-overhead space • Public-private commitment to facilitate networking, coaching, mentorship, and other services.
Specific Role/Opportunity for Natick	• Attracting early-stage startups outside of biotechnology, the industry focuses of start-up hubs Cambridge and Seaport. • Targeting entrepreneurs in information technology where Natick has an existing base industry
Natick Competitive Advantages	• Significant regional talent • More cost-competitive proposition than Cambridge and Seaport
Natick Competitive Weaknesses	• Lack of space for startups to grow into will limit the ability of Natick to retain companies as they achieve scale • Lacks organized community dedicated toward developing entrepreneur & startup ecosystem (Connect with Natick CoWorking, investigate TechSandBox in Hopkinton, Framingham State, Mass Bay Community College, Regis, and Bentley)

Food Services – Restaurants, Cafes, & Groceries	
Specific Description	• Food services spans all businesses that sell food items for immediate or home consumption, including restaurants, cafes, and groceries.
Current Industry Outlook	• Consumers are placing a greater emphasis on health, social impact (incl. sourcing, sustainability), experience, safety (incl. ingredient use, clear labeling), and transparency (overall access and trust) factors in making their food spending decisions

	• This trend has created a market opportunity for new businesses to capitalize on shifting consumer tastes and has prompted established brands to fulfill evolving customer expectations
Key Requirements or Value Chain	• Favorable permitting • Access to mid-to-high income consumers • Parking
Specific Role/Opportunity for Natick	• Development across the food services industry in currently underserved town centers facing excess demand • Opportunity to target small and mid-tier newer companies emerging with new market trends as well as larger businesses embracing changing market dynamics • New development will concurrently cultivate more vibrant, livable centers
Natick Competitive Advantages	• Good population density • High household incomes • Existing demand for expansion of food services in town
Natick Competitive Weaknesses	• Poor accessibility (parking, traffic, limited public transport) • Slow/Difficult Permitting Process • Water & Sewage costs

Life Sciences – R&D, Medical IT	
Specific Description	• Life sciences encompasses companies in biotechnology, pharmaceuticals, and medical technology • Functions across the value chain include R&D, manufacturing, commercialization, and distribution
Current Industry Outlook	• The industry faces the dual demands of demonstrating market value through increased innovation while also minimizing costs in the face of growing pricing pressures, increasing the focus on R&D productivity • Additionally, these imperatives are necessitating stronger IT units focused on updating and upgrading, esp. to new advancements in cloud technology and analytics → estimated that IT spending in the Life Science sector will reach $54 billion by 2019 and grow 5% annually from 2015-2019
Key Requirements or Value Chain	• Existing industry cluster hub • Proximity to universities
Specific Role/Opportunity for Natick	• R&D in Biotechnology and Medical Technology subsectors • Medical IT

Natick Competitive Advantages	• Highly educated workforce • Existing base industries in computer and electronic product manufacturing, chemical manufacturing, information, and data processing • Location adjacent to Greater Boston universities and life sciences hubs provides entry opportunity in specialized areas
Natick Competitive Weaknesses	• Needs base companies to cultivate and attract industry cluster

Next Steps

Having completed Task 2, ICA will launch Task 3: **Tactical & Strategic Recommendations for Retaining and Enhancing Competitiveness**. The goal of this task is to leverage the analyses completed in Task 2 to develop realistic and actionable plans for enhancing economic development in Natick. To this end, the task will consist of:

- Identification of Trends & Strategies to Support Economic Development
- Marketing & Messaging Diagnostic
- Third Community Meeting
- The Final Action Plan

Appendix A – Second Community Meeting Notes

An Interim Work Session was held on August 4th, 2016 to go over the progress made in the Economic Development Study and its initial findings. More importantly, it was an opportunity for business leaders to provide feedback, thoughts, and concerns regarding the information. ICA received valuable feedback on the following topics:

Location Quotients and Shift Shares

Attendees of the meeting expressed concerns about the interpretation of data. They felt that looking at only the latest LQ figures disregards the change over time. A snapshot is not necessarily good at explaining the context of where the economy is moving. It was noted that Shift Shares take account of this detail.

Reverse Site-Selection Benchmarking

Meeting attendees were perplexed at how the Transportation and Market Access modeling was calculated: Natick seemed to have a low evaluation when it is actually well connected, while Shrewsbury was rated highly. ICA acknowledged that this could be a data analysis error and reviewed it following the meeting. It was discovered that one indicator in particular, “Miles to Major Airport”, was referring the towns to their nearest airport instead of comparing their proximity to the same airport (Logan International).

Open Discussion

Various topics were discussed in an open discussion format. It was noted that the electric utility company had proved to be an unreliable partner. Most present in the meeting agreed that the Town of Natick was in a transition between “Mayberry” citizens (those opposed to change in an effort to preserve how the Town was in the past) and progressives. It was generally agreed upon that the only way forward was a balance between preserving certain elements and embracing change. The success of the Natick Mall was cited as an example: the success of developing the Natick Mall helped finance the preservation of several historic public buildings downtown.

Regarding landlord engagement, it seemed to be a mixed bag. Some have shown keen interest in further development, while others are content with the present situation unwilling to risk further development. (It was also mentioned that the resistance from “Mayberry” sometimes proved not worth the hassle). Additional frustrations with the term “the process” were expressed. It is often referred to yet not at all clear if it was a vague idea or an actual way of doing things.

Finally, attendees emphasized that Natick needs a forward-looking vision for its land use. Only once this is accomplished can proper adjustment to zoning regulations be made. An attendee noted the proliferation of Day Care Centers as an example, demurring if this was the best use of space. Furthermore, Rt. 9 and the Natick Mall need strategies given the uncertainty of retail’s future.

SWOT

It was suggested that the following Strength be identified: family-oriented community (supported by the intangibility of quality of life – TCAN, Senior Center, public events on Common, sports programs for kids, etc.) Permitting was seen as a particular weakness for Natick. Additionally, there were questions about how Natick Labs fit into the Town's ecosystem.

Appendix B – Business Stakeholder Interview Notes

The project team interviewed companies and real estate developers who currently operate shuttle services to better understand:

- The overall vision for Natick's future;
- Development Opportunities;
- Ease of Working with the Town;
- Downtown Natick; and
- Transportation Needs and Challenges.

In all, the team conducted thirteen interviews with the following individuals:

- Erica Ball (Former Selectman)
- Dean Calivas (Stonegate)
- Steve Derzinski (Infinium)
- Artie Fair (Fair & Yeager)
- Lou Franchi (Franchi Management)
- Paul Griesmer (Natick Finance Committee)
- Paul Joseph (Metrowest Chamber of Commerce)
- Ken Lebarre (General Growth Properties)
- Andy Meyer (Natick Planning Board)
- Julian Munnich (Natick Planning Board)
- Dick Morin (Cognex)
- Paul O'Neil (National Development)
- Kevin Quinn (Dacon)

The following sections explore the answers received and provide some insights into the realm of the possible for shuttle operations.

Advantages of the Town

There was general agreement among interviewees that the Town of Natick has significant natural, geographic, and business advantages that provide substantial opportunities. By its location along the Route 9 and I-90 (MassPike) corridors as well as its situation between Route 128 (I-95) and I-495, the community is a natural epicenter for workforce for a variety of industries and functions. This is further augmented by the Town's geographic setting between Boston and Worcester.

The community itself and the surrounding region are home to a strong base of professional, technical, and associated support talent. As a result, it is attractive as a base from which to establish or grow a business for its ability to attract and retain a suitable workforce. While high and increasing housing costs are a topic of concern for the entirety of the greater Boston area, Natick and the towns to the west have a somewhat lower cost of living than other regional areas, and therefore provide a fairly more competitive option for access to talent – particularly those with families seeking detached single-family homes in a suburban setting.

The route 9 corridor around Speen Street and Exit 13 from the Massachusetts Turnpike is also a major regional center for commerce and retail activity. The "Golden Triangle" bordered by Route 9, Route 30, and Speen Street houses the Natick Mall, Shoppers World in Framingham, and a myriad of other big-box and smaller retail operations. TJX, FedEx, Mathworks, and other major corporate office complexes are in these areas (either in Natick and Framingham). This existing commerce and employment mass acts as an attractor for other activities that wish to cluster.

Changing Times and Contrasting Visions for Natick's Future

The most prominent theme uncovered in the interviews was that of strong dialogue and debate within the Town regarding the vision of future development. Interviewees – either in their own words or in discussing the perceived views of others – suggested that some in the town wish to see further development, and some do not.

Those opposed to additional significant development cite the issues of traffic in the Town as a primary issue. The thoroughfares of Speen Street, Route 9, Route 27, and Route 135 experience high traffic loads during peak times, and there are few roadway alternatives due to the geography of the region. Lake Cochituate and its associated watercourses add significant natural beauty to the Town, but also act as barriers to conveyance, forcing regional traffic onto these four major roads.

While traffic is often the first stated issue of those concerned about additional development, school crowding, additional municipal expenditures on roads and infrastructure, and stress on the local water and sewer systems are also cited.

Another more broadly stated but less easily defined concern is that of loss of "Town Character." Interviewees alternatively cited several recent housing developments as addressing the present and future housing needs of the town and region or as out of scale and "too dense" or "too tall" to be in proper context for Natick. Likewise, some interviewees expressed hopes that areas of the downtown or other areas of town with transit connections be viewed as targets for higher-density transit-oriented development. Other interviewees voiced concerns that such developments would "urbanize" what has historically been a successful suburban bedroom community.

The planning board has been the most common forum for where the discussion of vision becomes tangible in terms of projects and initiatives approved or denied. Depending upon the parties interviewed, the board was seen as appropriately and effectively protecting the Town's resources and character, as providing an inefficient but ultimately useful forum for vetting and improving development projects, or as not being adequately proactive and flexible enough to ready the town for future opportunities.

Development Opportunities

Interviewees cited a series of specific opportunities for development, improvement, or of general enhancements in the Town. These included:

- Improving the feel of the downtown core by bridging the railroad tracks. Air rights developments over the MBTA line would allow better integration north of the tracks into the feel of a more cohesive downtown core.
- Interviewees felt that providing additional parking downtown – combined with other development – would provide more of a critical mass in the core to support restaurants, small business, and cultural amenities. The current downtown is seen as an asset that should be nurtured.
- Integrate Lake Cochituate into the everyday life of the Town. One interviewee specifically noted Wakefield's efforts to use their lake as an asset in office development by integrating walking and biking trails into the development. This gives residents and workers alike an attractive outdoor asset that improves quality of life.

Interviewees noted that these ideas and others that have been proposed are not anticipated or allowed under current zoning. It is hoped that such ideas will be examined as the zoning ordinance is reviewed in the Comprehensive Plan process.

Business Concerns

Associated with the above, several private sector interviewees specifically noted that the current zoning ordinance is outdated and fairly prescriptive. The ordinance envisioned for (and still supports) more traditional suburban development of physically separated uses, largely served by automobile transportation. This has resulted in some fairly dated single-use, low height buildings in the industrial and business parks. Likewise, some of the efforts to improve pedestrian access (such as the wide sidewalks at the Natick Business Park south of Route 9) were done in isolation, not as part of a larger coherent strategy for improving the viability of the park, and have been viewed as follies.

Businesses – retail, office, and R&D alike – all noted that changing business needs also require them to use their properties in more flexible ways. The current zoning ordinance is highly rigid and does not anticipate or accommodate such flexibility. As a result, each change, addition, or adaptation requires a lengthy, formal variance process in front of several boards in the town.

Finally, several businesses (particularly those in the East Natick Industrial Park) specifically noted the failings of the local electric utility service. Power is interrupted fairly frequently, and one business noted that their computers were offline for over two days. Likewise, the utility itself is seen as a very poor partner – unresponsive and not helpful to business. One interviewee noted that this issue alone has resulted in them to very seriously consider expanding in another state rather than growing in Natick.

Ease of Working with the Town

The businesses interviewed varied in their opinions in ease of working with the town depending on how much their plans and needs directly matched those envisaged by Natick's existing regulatory environment.

For example, even one of the more industrial users cited the permitting and regulatory environment as "just fine." The company established itself in an existing industrial building and was able to start operations with a minimum of changes to the shell or infrastructure. Permitting for fire, waste, and health were also well coordinated. The consistency of application of regulation among different departments is also seen as beneficial, especially as coordination among departments was reported to be visible and strong.

Zoning and planning are, however, very often cited as problematic, unpredictable, and a key obstacle in the Town. One example is the application of the signage ordinance. This concern was expressed both by the retail and restaurant businesses downtown as well as those that were located in the Natick Mall. Large box and small businesses noted that even their general facility design is often captured under review from the signage ordinance, causing concern and often delay and change.

Other larger businesses cited the process of plan review and obtaining variances or special permits to be a significant difficulty. Companies – developers and corporations alike – who have gone through the process reported that the lack of consistency, guidance, and coherent vision from the Town resulted in a lengthy and confrontational process. Companies said that they felt that they were adhering to the guidelines – to the best extent possible – contained in the town's ordinances.

Some developers cited that they have been able to work with neighborhood residents and the planning board to a degree of success. This is accomplished by speaking with the public early on, explaining the developer's vision and constraining factors, and speaking with Town staff and the Planning Board to understand what is presently allowed as of right and/or has been allowed in similar situations. Some developers have gone so far as to establish working groups of involved citizens in order to hone individual development projects before bringing them in front of the Town for formal review.

As noted above, businesses of all types indicated that changing business needs also require them to use their properties in more flexible ways and that the current zoning ordinance does not anticipate or accommodate such flexibility. Likewise, the zoning review process is intended to be restrictive in nature, rather than forward looking.

Downtown Natick

Natick's downtown CBD is generally seen as a key amenity and as a core asset to be maintained and enhanced over time. Interviewees were proud of the continued vitality and vibrancy of the downtown core, specifically pointing out institutions such as TCAN and the Morse Institute Library as draws to the center. The decisions to build a new town hall and fire station in the downtown core have resulted in slightly more mixed reactions. Both uses provide a strong sense of community in the core, but may not be ideal complements to the restaurant and retail mix existing downtown.

Interviewees who have worked or volunteered downtown note that the core has evolved greatly over the past decades. The most important recent change has been the concerted effort to draw restaurants and associated uses, which has also meant allowing alcohol. At least one interviewee noted that because of the town's more distant historical experience, there was an occasional fear that every new liquor license awarded downtown could result in a new "gin mill."

While there was acknowledgement that the Natick Mall does have an impact on retail overall for the town, interviewees generally suggested that the relationship between the two retail areas is largely complementary. For example, the activity in restaurants and bars at the mall helped to jumpstart the discussion about restaurants and similar uses in downtown. The taxes generated by the Mall have also allowed the Town to make investments downtown that have helped support the district. Some of these have taken the form of infrastructure, but more often they support family, arts, and cultural events.

There has been a move to develop more residential space in the downtown core to take advantage both of the transit access and also to provide more density to support further retail and restaurant development. Interviewees noted two dynamics about this move: First, the desired development levels may require more parking for automobiles than is currently envisaged. Second, while the original goal of the Town was for downtown apartments to be a draw to young professionals and families, in reality they are seen more as an attractive option for older individuals and couples seeking options for downsizing from larger single family homes in the area.

Business Areas

In addition to Route 9 and the Natick Mall/Golden Triangle, the town has two other dedicated areas for commercial and industrial development – The Natick Business Park (located south of Route 9 behind the Sherwood Plaza) and East Natick Industrial Park (located astride Oak Street between route 9 and the MassPike).

Neither park was described as being particularly "easy" to manage – either by real estate professionals or by the companies who locate there. Buildings are typically 30 to 40-year old one or two story industrial or flex buildings. Vacancy is low, but there is a strong presence of day care, fitness, museum, and other non-industrial/commercial uses mixed into both parks. Real estate professionals reported a fairly high turnover rate in both parks. Space is leased to small entrepreneurial firms who commonly then fail, grow quickly, or are sold.

Interviewees described the parks as fairly effective for housing these start up and early stage companies for a variety of industries. However, such companies often end up moving to other locations (and municipalities) when they need to grow. The issues cited involve the quality of the existing space, the inability to substantially change current space, prohibitive zoning, and – in the case of the East Natick Industrial Park – unreliability of the electric utility.

Transportation Needs and Challenges

Each of the interviewees cited transportation as a key to the ongoing success of the town, though each experienced transportation as a slightly different construct. Local residents expressed concerns regarding congestion and parking, while local employers noted, for example, that while commuter rail serves Boston-bound commuters well, there are few effective reverse commute options.

As mentioned early in this section, there is a general awareness that automobile traffic has been increasing regionally and poses a problem both for life within and commerce throughout the Town. The means for addressing this fact are varied, and suggestions include:

- Addressing the connections between commuter rail, local mass transit, and employment and commerce centers
- (re-)Energizing the Route 9 corridor for bike and mass transit activity.
- Establishing a shared shuttle service for local employers to provide last-mile commuting capability
- Leveraging the Logan express bus services from Framingham, near Shoppers World
- Leveraging the Town's places for its multi-use trail system to support commuting and shopping trips

While each of the above would help address part of the transportation problem, all interviewees agreed that no one tactic will provide an overall solution. Indeed, overall solutions cannot be developed by Natick alone and will need to be regional in nature.

Things the Town Can or Should Do

Interviewees also noted that regardless of the particular issue, opportunity, or initiative, there are comprehensive and coordinating activities that the Town can and should begin. First and foremost among these is to develop a greater consensus of the vision for what the Town could become over time. There is an opportunity to create an effective dialogue bridging those who wish to maintain Natick's character and those who wish to proactively adapt for its sustainable future. Work already in place for the Town's long range and comprehensive plan will help to open up and drive this dialogue.

Within the realm of the immediate, there is an opportunity for Natick to take the lead in driving regional conversations with its neighboring communities on the topics of transportation and on economic development. This discussion is already taking place in the form of projects such as the joint Natick/Framingham study of the Exit 13 area from the MassPike, and could be expanded and continued over time. The foundation for economic development efforts already exists in the form of the I-495 Metrowest Partnership and the Metrowest Chamber of Commerce.

Above all, the Town can work diligently to make its vision more clearly stated through its ordinances and zoning. As the planning process progresses, town leadership will have the opportunity to clearly state the vision for the kinds of uses, industries, and companies it wants; to translate this into a local regulatory framework which anticipates and supports the needs of these investments; and which provides a welcoming a helpful municipal partnership for these uses over time.

Appendix C – Zoning Review and Recommendations

Natick's current zoning creates barriers to the evolution of office and commercial areas to flexible, integrated mixed-use in line with current market trends for suburban office parks (City Lab; NGKF; ULI; Boston Globe).

Many office park areas are transforming themselves incrementally with more dining, retail, residential, and non-office commercial businesses. This wider range of uses accomplishes several objectives: it provides more amenities for office workers, aiding in recruiting and retention, it creates vitality and community throughout the day and week, and it spreads traffic and parking demand across the day and week, thereby allowing greater total density and value. Similarly, commercial areas are recognizing the importance of walkability and creating a sense of place as key competitive requirements for both office users and other commercial businesses. The ability of an office worker to walk to lunch, rather than driving, for example reduces traffic, enhances community, and improves health.

Natick's existing use regulations for these areas are typically overly restrictive and specific, creating misalignments with actual impacts or present market demand. The reduced range of allowed businesses means that these parcels may not be occupied by the highest value land-uses. In line with best practices in contemporary zoning, we recommend reducing Natick's reliance on use-based restrictions and expand the range of permitted uses. Some specific examples include:

- Business or Professional Office are permitted by right, but should be expanded to include R&D, medical office (eliminate 2,500 SF cutoff), and veterinary (remove 200' restriction for veterinary hospital as this is prohibitive for many parcel, address overnight boarding specifically if this is the source of concern);
- Permit restaurant/cafe by right, including entertainment and outdoor eating—critical item. Workers want choices in where they eat, not just cafeterias;
- Permit craft, consumer, professional, or commercial services establishments by right (currently not permitted in the In-I or In-II)
- Permit retail by right—It may be worthwhile to consider some restrictions to preserve principally office character of area. For example, limiting the percent retail (<50%) for parcels over a certain minimum size (40,000 SF); a more detailed study of market and parcelization would be required to set correct thresholds.
- Permit indoor and outdoor amusements by right, remove 100' buffer requirement for indoor (makes southern side of Strathmore unusable for this use)
- Permit printing and publishing by right (currently prohibited under 5,000 SF); (remove 5,000 SF cut off entirely as no clear rational basis for modern printing establishments)
- Permit warehouses/distribution as accessory uses by right and as a principal use by special permit (currently not permitted)
- Wireless communications restrictions may conflict with 1996 Telecom Act.
- Permit residential multifamily by special permit (currently prohibited—except in some cases through overlay zones)

- Permit hotel by special permit (currently prohibited); including serving of food and beverage
- Permit light manufacturing by right (currently light manufacturing is permitted by SP);
- Permit general manufacturing by special permit (currently by right)
- "Ancillary outlet" should now be removed as superfluous (with retail and services permitted)
- Prohibit municipal solid waste facility (currently allowed by right); and dumps (currently by special permit)

Beyond use regulations, Natick's dimensional and density standards mandate an environment with low walkability and auto dependence. Setbacks keep buildings away from public side walks and each other, making walking less convenient. Front yard setbacks of over 60 feet can translate to efficient use of otherwise wasted space for double loaded parking. Thus privileging parking relative to walking increases auto traffic, reduces health, and negatively impacts the public realm.

- Recommend lowering minimum lot area to bring existing parcelization into at least 85% conformity

- Eliminate frontage requirements and depth setbacks—these are principally useful for subdivision; this is now a platted area

- Front setback of 40-85' is excessive—recommend minimum of 0-10 feet; consider a maximum setback of 10-20 feet; remove special requirement in In-I for additional front setback along Route 9.

- Side setback requirements range from 40' to 100' should be reduced to 0'

- Building heights of 30' or 2-stories are much too low for the In-I and C-II recommend up to four stories and 50'

Natick also employs a number of overlay zones in its highway commercial areas. Overlay zones are typically considered appropriate when they add or modify one or a small number of regulations in a limited area across a number of base zones, which are otherwise substantially intact. Natick's highway overlay zones, in contrast, largely supplant the underlying zoning, suggesting that rather than an overlay, a new base zone is called for which accurately addresses the specific needs of the area (for example, Oak Street and Strathmore Road may not be best suited to have the same base zoning. There are a number of provisions that implicitly and explicitly encourage the assemblage of lots into large parcels (10+ acres)

- Overlay zones (HC, RC, RCP, & MC) have lot area, frontage, and other requirements to take the full benefit; this creates a differential incentive, which favors large parcels. Where smaller parcels separate larger parcels or land assemblage is not possible this can create discontinuities in the character of land use along a street, which is not conducive to creating walkable commercial areas. Further, smaller buildings/parcels are the preferred location for incremental improvements along the corridor because of the lower overall project size; if anything smaller parcels should have more incentives in use and other requirements.

- FAR of 0.32 for non-residential uses is too low; waiver for parcels over 10 acres for FAR up to 0.50 is still too low, and benefits large parcels over small parcels
- Does permit the creation of residential & hotels by special permit
- Zoning text seeks to “encourage consolidation of lots;” the incentive in Section 324.3 seems arbitrary and of low economic value. There are other approaches to reducing curb cuts if that is the principal goal, such as targeted taxes for curb cuts or coordinated planning of new shared access roads.
- FAR max of up to .55 for residential (or up to 1.00 for affordable) is still too low to create walkable area; supports suburban style garden apartments at about 20 units per acre.
- Landscaping/open space requirements too high (20% for retail, 30% for resi, 40% for office); landscaping for its own sake doesn’t support walkability.
- Height setbacks from residential areas are excessive, recommend flat setback distance rather than based on building height.

Among the other zoning regulations, several sections stand out for additional review, in particular off-street parking and signage regulations. While a complete review of signage regulations is beyond the scope of this study, general recommendations would include permitting modifications of the regulations by special permit and permitting property owners to submit a sign master plan for their property which, once approved, would allow owners and tenants to quickly design and install signage without further review if it conformed with the standards of the approved plan. For parking regulations:

- Parking requirement for multifamily residential (which varies by unit size) is OK
- Office, Industrial and Retail parking ratios are also OK
- Should allow for shared parking where multiple uses share the same lot (residential, restaurant, and office for example); the APA and other planning organizations have various approaches to shared parking which could be adopted
- Restaurant requirement is extraordinarily high. Reasonable requirement for auto-oriented parking would be either 1/3 seats or 5/1,000 SF; and particularly consider shared parking in mixed-use centers for restaurant uses (peak demand may be at lunch when many restaurant patrons are walking)
- No clear provision for waiver of parking requirement—parking requirements, including dimensions and other requirements, should be modifiable by special permit; shared parking reduction should be by right.

- Recommend allowing drive aisles of 20’ for two-way travel (currently 24’ minimum) (by special permit if there is particular concern)—this supports slow moving traffic and a more walking-oriented site.
- Paving requirements currently stipulate the placement of curbs around the lot, as well as paving construction—this is outside the typical scope for zoning regulations and may conflict with stormwater best management practices or other urban design features. Recommend removal
- Truck loading requirement is high, e.g. a 100,000 SF hotel would require 4 loading bays, where one is typically adequate. This is something the market is very sensitive to—recommend removing loading dock requirements for mixed use buildings or smaller parcels. Differentiate between existing building reuse and new construction.

General comments and recommendations

- Recommend that the zoning ordinance needs a comprehensive overhaul, in structure, zoning districts and map, uses, dimensional standards, and development standards.
- Encourage walkability in design of buildings and sites
    - Walkability is desirable both from an amenity perspective, creating a community in which people mix, visit various uses, and in a functional perspective in supporting shared parking and allowing greater intensity of use without increasing traffic.
    - Walkability is a function of both public improvements (sidewalks, street widths, traffic speeds, cross walks, etc.) and private reasons to walk. Walkable continuity is easily disrupted with a single auto-focused street or parcel.
    - Dimensional standards that reduce setbacks and encourage building to the right of way and design standards that encourage regular entries, active ground floor uses, and a sense of enclosure supports walkability.
- Strictly speaking, the accessory use language means that accessory uses must themselves be directly permitted. E.g. a warehousing component accessory to an office would not be permitted. Recommend that accessory uses are always permitted, subject to the discretion of Town Planner or Building Inspector to determine whether a proposed use is really accessory to a permitted use or much be reviewed as its own principal use.
- The regulations in Section 5.5 of the proposed re-codified Natick Zoning By-Law are reasonable for non-dimensional/use nonconformity, but recommend making modification of a nonconformity by special permit of the Planning Board

Numerous substantive regulations are found in footnotes to tables. This is considered bad practice because it makes understand what is permissible difficult to understand and can create potential conflicts. Recommend that footnotes be limited to clarifications or references.